



2012 Borough Manager's Chambersburg Proposed Budget

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November 7, 2011



Budget Process

- Borough Manager proposes balanced budget
- Town Council to advertise budget on November 14
- Town Council to adopt final budget on December 12
- Any changes require 10 days advertisement
- Budget and tax ordinance must be adopted by December 31



Full Budget on Line Tomorrow

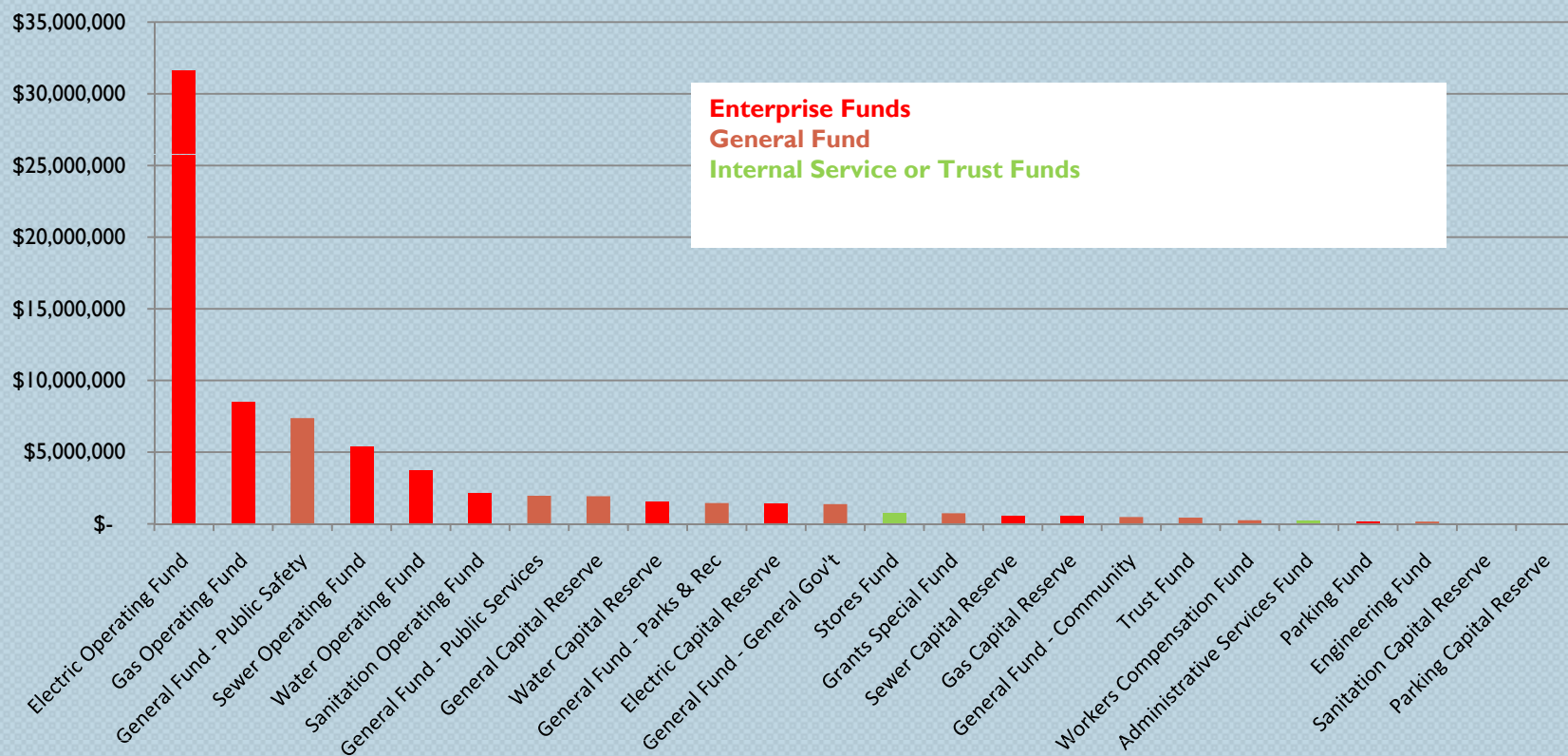
- www.chambersburgpa.gov
 - Click on documents
-
- Any proposed changes to be posted after approved for advertisement by Town Council
 - Much more detail then included tonight



Enterprise Funds

Obviously, the utilities, the enterprise funds, of the Borough, account for the preponderance of the Borough annual expenditures. Further, the Electric Department alone eclipses all other operations of the Borough. We are fortunate that these business models are sound; further, the utilities face challenges but nothing as significant as the General Fund.

2012 PROPOSED EXPENDITURES BY TYPE





Enterprise Funds' Fee Recommendations

- Electric Department - In 2012, proposing a small deficit for the second year in a row. No electric retail rate change, no change in the Power Supply Adjustment and the use of reserves to balance budget until 2013.
- Gas Department - In 2012, proposing no gas retail rate change; the lowest natural gas rates in Pennsylvania.



Enterprise Funds' Fee Recommendations

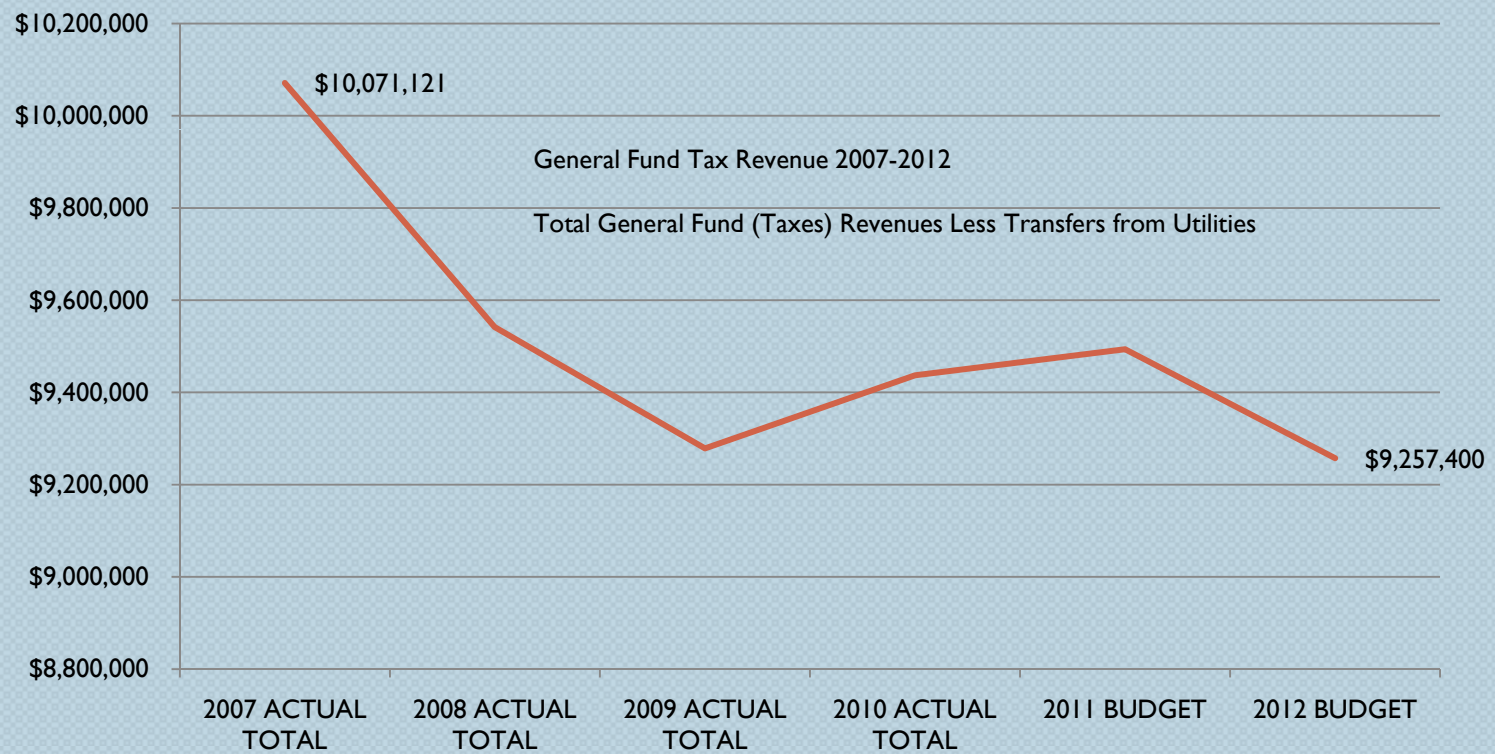
- Water Department - In 2012, proposing no water retail rate change, no increase for 10th year. However, if a major capital project, such as a fix to the Iced Tea situation is implemented, staff recommends Council seriously consider a rate increased tied specifically to that project.
- Sewer Department - In 2012, proposing an 18% sewer retail rate change in August 2012 to coincide specifically to the Borough's cost to undertake our share of the J. Hase Mowrey Regional Wastewater Treatment Facility expansion project.
- This rate increase is estimated and a separate act of Council will be required to institute the increase *later* in the year once actual costs are known; perhaps by Summer.



Enterprise Funds' Fee Recommendations

- Sanitation Department – In 2012, proposing to run another annual deficit, as is the norm, in anticipation of a rate increase in 2013 or 2014; no trash retail rate change in 2012.
- Parking, Traffic and Street Lights Department – This newly combined department (details in the budget) anticipates its funding from parking meter and permit revenue as well as a leaseback payment from the Electric Department for the traffic signals and street lights. Staff is recommending no parking rate change, no increase again in 2012.

GENERAL FUND TAX REVENUE LESS TRANSFERS 2007-2012





General Fund Revenues

Local Services Tax (LST)

2007: \$1,136,765

2011: \$860,000

2012: \$775,000

Some sample revenues...

2011 & 2012 are estimated

Earned Income Tax (EIT)

2007: \$1,749,457

2011: \$1,650,000

2012: \$1,500,000

Deed Transfer Tax (RETT)

2007: \$802,419

2011: \$240,000

2012: \$260,000

The LST, EIT, and RETT are at set rates
they cannot be adjusted

Real Estate Tax

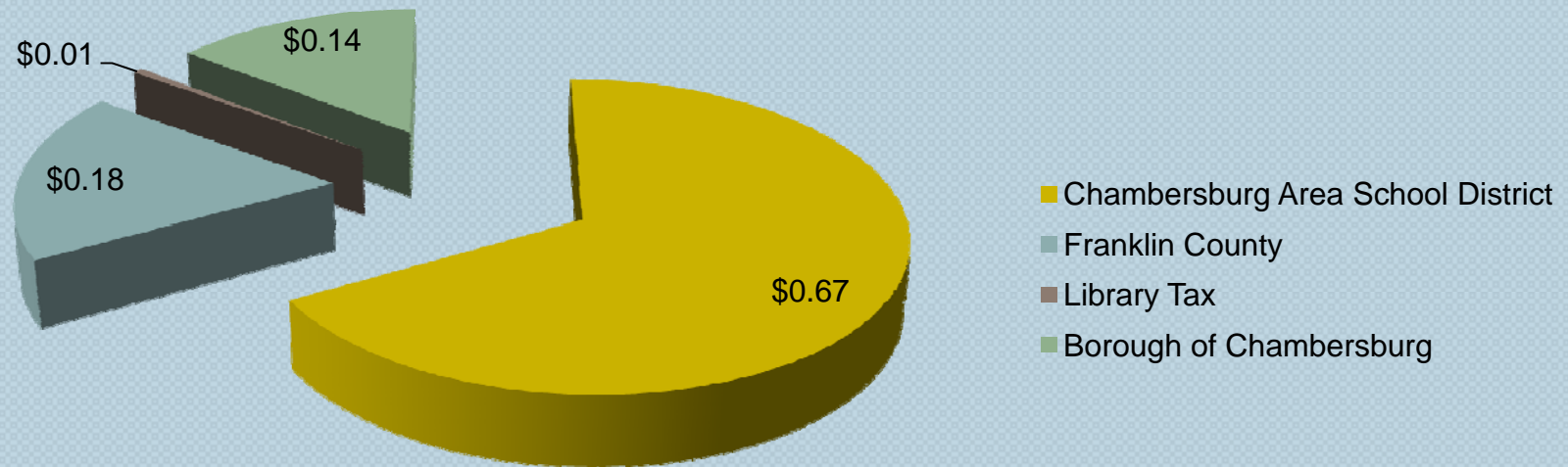
2007: \$3,327,598

2011: \$3,600,000

2012: \$3,565,000

WHERE DOES THE PROPERTY TAX GO – WHY DOES IT SEEM TO GO UP EVERY YEAR?

The Borough has not had a Real Estate Tax increase since 2007.



Of every \$1 in real estate taxes paid, only 14¢ goes to the Borough

THE ONLY TAX THAT CAN BE ADJUSTED BY LAW

The Real Estate Tax

Borough Real Estate Mill Rate

2006	2007	2008	2009	2010	2011	2012
17	20	20	20	20	20	20

CASD Real Estate Mill Rate

2006	2007	2008	2009	2010	2011	2012
70.68	76.91	80.98	84.98	89.62	92.757	?

County Real Estate Mill Rate

2006	2007	2008	2009	2010	2011	2012
21.75	21.75	21.95	24.65	25.15	25.15	?



What I did to balance the budget without a real estate tax increase

- **This budget document does not anticipate a Real Estate Tax increase in 2012; but...**
- This budget contemplates cuts and not tax increases. As the public and Town Council judges these cuts, decisions regarding taxes may become more acceptable



Real Estate Tax Levy

In 2011, the Borough levied a real estate tax rate of 20 mills. This costs a property owner with an assessed value of \$100,000 a full non-discounted tax bill of \$2,000 per year. In Franklin County, it is difficult to determine your property's assessed value without checking at the County offices. This levy generated \$3,527,832 in revenue for the Borough in 2010, the last full year, and is estimated to generate \$3,565,000 in 2012.



Chambersburg Collects Less Real Estate Tax than the Cost of Police

For example, in 2010 the Borough levied a real estate tax rate of 20 mills. This costs a property owner with an assessed value of \$100,000 a full non-discounted tax bill of \$2,000 per year. This levy generated \$3,527,832 in revenue for the Borough. In 2010, the cost of operating the Chambersburg Police Department was (actual) \$4,283,080 or \$755,248 more than the yield from the real estate tax

We use no real estate tax for anything else therefore



General Fund Departments

- General Government includes the organization and management of Town Council, intergovernmental activities (Council of Governments, 21st Century Partnership, etc.), civic activities such as the maintenance of the downtown, community events, and the Shade Tree Commission.
- Highway Department functions include snow and ice removal, patching streets, overlaying streets and alleys, and cleaning and maintaining the Borough's municipal separate storm sewer system (MS4).
- Land Use and Community Development includes Planning, Zoning, Code Enforcement, Economic Development and management of grants such as Community Development Block Grants and the Elm Street Program
- These departments saw reorganization and no major cuts

General Fund Departments

Police Department

- The two open police officer positions are, effective with this budget, permanently eliminated
- One additional police officer position is funded for only six months. We anticipate at least one additional officer will retire in 2012 and they will not be replaced. By the end of 2012, the Police Department will have sacrificed three full time police officer positions

Full Time	2005 Budget	2006 Budget	2007 Budget	2008 Budget	2009 Budget	2010 Budget	2011 Budget	2012 Proposed
Chief	1	1	1	1	1	1	1	1
Non Bargain	3	3	3	3	3	3	3	2
Officers Assoc	30	30	33	33	33	33	33	31

- One of the Police Department's three (3) K-9 units will be disbanded in 2012; leaving Chambersburg with only two (2) K-9 units; although the police officer will be retained
- The one open clerical non-uniform position in the Police Department will be, effective with this budget, permanently eliminated
- The Chambersburg Special Equipment and Tactics (SET) Team roster will be, effective with this budget, reduced by eliminating participation by the two (2) Chambersburg Fire Department employees. Otherwise, the SET Team remains funded in full for 2012
- No major purchases contemplated in 2012, \$20,000 in police equipment but no vehicles

General Fund Departments

Recreation Department

- The Recreation Department Maintenance Crew Leader, non-bargaining unit position, will be eliminated in 2012. The current employee will be offered a transfer to another department.

Therefore, there will be a 25% reduction in park/trail maintenance

Full Time	2005 Budget	2006 Budget	2007 Budget	2008 Budget	2009 Budget	2010 Budget	2011 Budget	2012 Proposed
Non Bargain	5	5	5	5	5	4	4	3
AFSCME						3	3	3

- In 2012, the same number of seasonal workers will be hired as in 2011; additional park guards as was implemented in 2011
- In 2012, the Memorial Pool operations/rates will be the same as in 2011
- In 2012, there will be an overall reduction in park and trail maintenance
- In 2012, no new parklands will be added to the Recreation Department inventory
- In 2012, no renovations are contemplated to fix the deteriorated Henninger Field and Playground
- In 2012, no dog park
- In 2012, no additional playgrounds will be built (including no amenities at Nicholson Square Park, John A. Redding Jr. Memorial Park, or Mill Creek Acres Park) other than what has been approved in 2011



General Fund Departments

Emergency Services Department

- There has been significant growth in receipts from our Ambulance service. In 2012, it is anticipated that the Ambulance service will have receipts of \$800,000. This is *only possible* if we adopt a significant and major reassignment of Emergency Services Department personnel (detailed below). If we do not accomplish this reassignment, the estimated receipts from the Ambulance service would be \$725,000.
- In addition, the Emergency Services Department generates fees of \$3,500 and subscriptions of \$118,000. In total, the Emergency Services Department covers about 1/3 of its costs, with the remaining funding coming from other General Fund revenue sources. Chambersburg collects less real estate tax than the cost of operating the Police Department. Therefore, 2/3 of the cost of operating the Emergency Services Department comes from other taxes (deed transfer tax, earned income tax, and the PILOT payments from utilities). Given the poor performance and lack of flexibility in these tax categories, the Emergency Services Department is faced with an enormous challenge; large cuts to balance their budget.



General Fund Departments

Emergency Services Department

- This proposed budget does not contemplate any tax increases but it does contain significant Emergency Services Department cuts
 - To avoid such cuts, a new separate earmarked unique **fire tax** would be necessary (details to follow); or
- The focus and personnel of the Emergency Services Department will need to be changed and reassigned to focus more on Ambulance and less on Fire prevention/suppression. This is the proposal, the Status Quo Plan or a Change in Focus Plan

General Fund Departments

Emergency Services Department

Status Quo	Change in Focus
<ul style="list-style-type: none">• Emergency Services Chief and Deputy	<ul style="list-style-type: none">• Delete Deputy ES Chief position
<ul style="list-style-type: none">• 18 firefighters and 3 captains	<ul style="list-style-type: none">• 8 firefighters and 5 captains
<ul style="list-style-type: none">• 24-hour shifts with 48-hours off	<ul style="list-style-type: none">• Police schedule: 12-hour shifts
<ul style="list-style-type: none">• 5 firefighters per shift 24/7	<ul style="list-style-type: none">• 5 firefighters daylight shift, 2 on overnights
<ul style="list-style-type: none">• 5 firefighter minimum manning	<ul style="list-style-type: none">• 4 weekday daylight; as few as 2 overnight
<ul style="list-style-type: none">• 1 ambulance in service	<ul style="list-style-type: none">• 2 ambulances in service

Town Council must insure the public safety of our citizens lives and property; we are fortunate in Chambersburg to have the dedicated assistance of talented volunteer fire companies in addition to our career officers, who can insure the public safety even in light of these cuts



General Fund Departments

- The Change in Focus Plan would require the elimination of the Deputy ES Chief position. In December 2011, the position will be vacated. It is my hope that an interim solution will be agreed upon by Town Council and the International Association of Fire Fighters, Local 1813; while discussions on the future continue.
- The Change in Focus Plan would require the elimination of 8 firefighter/captain positions (net 21 positions reduced to net 13 positions).



General Fund Departments

- The current Collective Bargaining Agreement with Local 1813 is at impasse. Therefore, some changes necessary to implement the Change in Focus Plan would need to be settled with the contract before implementation. It is therefore the recommendation of this budget to **keep the Status Quo Plan through June 30, 2012 and implement the Change in Focus Plan effective July 1, 2012.** This budget does *not* contemplate keeping the Status Quo Plan through the end of 2012. To do so would not be financially viable unless a new separate earmarked unique **fire tax** is adopted in December 2011; not included in this budget.
- The Change in Focus Plan is not viable unless the neighboring volunteer fire companies within and beyond the Borough assume a greater role in Fire prevention/suppression. If such a role cannot be agreed upon before June 30, 2012, the Change in Focus Plan is not viable. Public safety can be maintained but **only with the cooperation and participation of our volunteer firefighters.**

EMERGENCY SERVICES DEPARTMENT PERSONNEL

Two Plans

Emergency Services Department (Status Quo Plan):

Full Time	2005 Budget	2006 Budget	2007 Budget	2008 Budget	2009 Budget	2010 Budget	2011 Budget	2012 1/1-7/1
Chief(s)	2	2	2	2	2	2	2	1
Non Bargain	1	1	1	1	1	1	1	1
Local 1813	18	21	21	21	21	21	21	21

Emergency Services Department (Change in Focus Plan):

Full Time	2005 Budget	2006 Budget	2007 Budget	2008 Budget	2009 Budget	2010 Budget	2011 Budget	2012 7/1-12/31
Chief(s)	2	2	2	2	2	2	2	1
Non Bargain	1	1	1	1	1	1	1	1
Local 1813	18	21	21	21	21	21	21	13

General Fund Departments

Emergency Services Department

Status Quo	Change in Focus
<ul style="list-style-type: none">Budgeted for 1/1 through 6/30/2012	<ul style="list-style-type: none">Budgeted for 7/1 through 12/31/2012
<ul style="list-style-type: none">Requires no tax increase for this period	<ul style="list-style-type: none">Requires no tax increase for this period
<ul style="list-style-type: none">Requires a fire tax be implemented in December 2011 in order to extend Plan or a fire tax to be agreed upon for 2012	<ul style="list-style-type: none">Requires no fire taxRequires increased participation by volunteer fire companies within and beyond the Borough
<ul style="list-style-type: none">Fire tax can only be implemented in Dec.	<ul style="list-style-type: none">Ambulance fees sufficient to cover budget



Four Real Estate Tax Suggestions

I. Linking Borough Real Estate Taxes to the Police Department Budget

This would be wise because it is a fair and equitable use of a real estate tax; to protect the community. Second, it would eliminate the annual evaluation of the real estate tax because the tax would, be earmarked for, and set to, the cost of operating the Police Department. Third, the Police Department budget rises due to items not under the Town Council control (i.e. Act 111 arbitration decisions, police pension plan, unfunded mandates) and Town Council would be able to offset those costs with an automatic real estate tax adjustment. Finally, there would be no misconception as to why Chambersburg has a local real estate tax and other municipalities do not; it is to fund the Police Department.

Four Real Estate Tax Suggestions

- I. Linking Borough Real Estate Taxes to the Police Department Budget
Select this choice and one (1) of the (3) police officers and the one (1) clerical employee can be restored.

To accomplish this link, when advertising the proposed budget, Town Council would amend their motion as follows:

A motion to advertise the Borough Manager's Proposed 2012 Budget, with the addition of a proposed Real Estate Tax rate increase from 20 mills to 23.5 mills, for the exclusive use of the Chambersburg Police Department; beginning in 2012.

An amendment to this document must be authorized for advertisement on either November 14, 2011 or November 28, 2011, to be adopted on December 12, 2011.

This proposal, if adopted, would increase the real estate tax liability of a property owner with an assessed value of \$100,000 from a full non-discounted tax bill of \$2,000 per year to a new rate of \$2,350 per year.

However, this budget is balanced without this change; but, it is recommended for the aforementioned reasons.

Four Real Estate Tax Suggestions

2. Restore All Proposed Cuts to the Police Department Budget

It is possible that once the Act III arbitration decision is issued, such an action might be *unavoidable*.

Select this choice and three (3) police officers and one (1) clerical employee can be restored.

To accomplish the restoration of cuts, when advertising the proposed budget, Town Council would amend their motion as follows:

A motion to advertise the Borough Manager's Proposed 2012 Budget, with the addition of a proposed Real Estate Tax rate increase from 20 mills to 25 mills, for the exclusive use of the Chambersburg Police Department; beginning in 2012.

Such a proposal, if adopted, would increase the real estate tax liability of a property owner with an assessed value of \$100,000 from a full non-discounted tax bill of \$2,000 per year to a new rate of \$2,500 per year.

However, this budget is balanced without this change; but, it is recommended for the aforementioned reasons.

Four Real Estate Tax Suggestions

3. Restore Proposed Maintenance Cut to the Recreation Department Budget

The only way to accomplish such an action would be by raising the real estate tax (and *not* just linking the levy of real estate taxes to the Police Department operating budget as previously recommended).

Select this choice and the one (1) Team Leader can be restored.

To accomplish the restoration of the cut, when advertising the proposed budget, Town Council would amend their motion as follows:

A motion to advertise the Borough Manager's Proposed 2012 Budget, with the addition of a proposed Real Estate Tax rate increase from 20 mills to 20.5 mills; beginning in 2012.

Such a proposal, if adopted, would increase the real estate tax liability of a property owner with an assessed value of \$100,000 from a full non-discounted tax bill of \$2,000 per year to a new rate of \$2,050 per year.

This also can be done in combination to raising the real estate tax for the Police Department: 0.5 mills to help the Recreation Department, an additional 3.5 mills to link the real estate tax to the Police budget, a total 5.0 mills to fully reverse Police cuts; or 5.5 mills to accomplish all three.

However, this budget is balanced without this change.



Four Real Estate Tax Suggestions

4. Restore All Proposed Cuts to the Emergency Services Department Budget
 - The only way to accomplish such an action would be by establishing a new separate earmarked unique **fire tax**; a new real estate tax pledged to the Emergency Services Department operating budget.
 - The Borough Code allows municipalities to levy up to 3 mills for fire equipment; but this fire tax, unlike that tax, would be a regular real estate tax that the Town Council pledges to use to support the Emergency Services Department.



Four Real Estate Tax Suggestions

4. Restore All Proposed Cuts to the Emergency Services Department Budget
 - With no Collective Bargaining Agreement in place with the International Association of Fire Fighters, Local 1813, and the parties unable to agree on the proposed cuts, the levy of such a **fire tax** might be unavoidable.
 - The Status Quo personnel plan of the Emergency Services Department in place only to July 1, 2012. If Town Council wishes to avoid the significant cuts detailed in this budget, they should add \$315,186 to make the Emergency Services Department proposed budget of \$3,447,936. In order to fund this size budget, a separate earmarked unique and new fire tax of 1.75 mills of real estate tax levy would be needed.

Four Real Estate Tax Suggestions

4. Restore All Proposed Cuts to the Emergency Services Department Budget
Select this choice and the Status Quo plan can continue through 12/31/2012.

To accomplish this task, when advertising the proposed budget, Town Council would amend their motion as follows:

A motion to advertise the Borough Manager's Proposed 2012 Budget, with the addition of a proposed Real Estate Tax rate increase from 20 mills to 21.75 mills; beginning in 2012.

Such a proposal, if adopted, would increase the real estate tax liability of a property owner with an assessed value of \$100,000 from a full non-discounted tax bill of \$2,000 per year to a new rate of \$2,175 per year.



Four Real Estate Tax Suggestions

- All four tax suggestions can be accepted

This also can be done in combination to raising the real estate tax for the Police Department: 0.5 mills to help the Recreation Department, an additional 3.5 mills to link the real estate tax to the Police budget, a full 5.0 mills to fully reverse Police cuts, 1.75 mills to fully reverse Emergency Services cuts; or 7.25 mills to accomplish all four.

To accomplish this task, when advertising the proposed budget, Town Council would amend their motion as follows:

A motion to advertise the Borough Manager's Proposed 2012 Budget, with the addition of a proposed Real Estate Tax rate increase from 20 mills to 27.25 mills; beginning in 2012.

Because such a plan helps reverse cuts in all three (3) departments, this eliminates any pledge of so-much of the tax for the Police Department or so-much of the tax for Emergency Services.



However, this budget is balanced
without these changes

Other Suggestion for Future

Lobby the State and the County to Raise the Hotel Tax and Earmark the Increase for Police

- Although not included in this budget, this proposal is recommended and will hopefully add another category of revenue to the General Fund for 2013 and beyond.
- The hotel occupancy tax (or “pillow tax”) is set by state law. In Franklin County, the tax rate is set at 3% by State legislation, collected by the County, it is used for a variety of worthwhile purposes but *not* to support local law enforcement.
- For the most part across the commonwealth, counties must ask permission from the State to raise the rates they tax each hotel room stay beyond what is on the books. In the majority of cases, between 3 percent and 5 percent of a room charge in Pennsylvania goes toward this county-based tax to support local visitor attractions.
- Legislators from Adams County and northeastern Pennsylvania already have introduced bills to raise hotel room tax caps, according to the state's legislative website.
- If the Franklin County tax were increased, the law could be written to provide funding to local law enforcement from the additional yield.

Other Suggestion for Future

Lobby the State to Change Act 111 to Improve Police and Fire Arbitration

Pennsylvania League of Cities and Municipalities
Act 111 Arbitration Reform Issue Paper

ISSUE PAPER

Act 111 Arbitration Reform

Act 111 (43 P.S. 217.1) provides police and firefighters with the right to bargain collectively with their municipal employers through a labor union, concerning the terms and conditions of their employment. The bargaining process begins at least six months before the start of the municipality's fiscal year. In the case of collective bargaining contracts that extend beyond one year, the bargaining process for the new contract would begin six months before the fiscal year in which a new contract is needed.

If the union and the municipality cannot agree on the terms and conditions of employment they are at an "impasse." Act 111 prevents police and firefighters from striking, however, it does provide for compulsory interest arbitration. If collective bargaining reaches an impasse and proceeds to the interest arbitration level, the determination reached by the arbitration board is final on the issues in dispute and binding on both parties.

To get to the level of interest arbitration, one of the parties must notify the other in writing of the issues in dispute and request the appointment of a board of arbitration. An arbitration board is composed of three individuals, one appointed by the union, one appointed by the municipality and the third agreed upon by both parties. A request for arbitration must be made at least 110 days before the start of the fiscal year.

The Legislature must amend Act 111, The Police and Fireman Collective Bargaining Act, to:

- create a set of standards for awards, including a municipality's ability to pay for proposed awards;
- require that all awards are subject to full judicial review;
- expand the list of arbitrators to seven instead of three;
- require the cost of arbitration to be shared equally between the two parties
- require that arbitration sessions be open to the public; and
- provide an avenue for municipal relief when the Auditor General identifies an illegal pension benefit.

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Summary Personnel Changes

- Electric Department – The proposed budget includes the addition of two (2) full time employees to the Electric Department so that substation and property maintenance can be done in-house thereby saving expenses, the elimination of one (1) part time maintenance employee, and the redressing of several positions to increase their importance to the mission.
 - The first full time position has a net value of \$61,657 of additional expense
 - The second full time position has a value of \$70,318 of additional expense
- Water Department – The proposed budget includes the same number of employees; no additional employees. However, the proposed budget includes the partial transfer of the current Superintendent's Assistant to the Highway Department to become the Assistant Public Works Director. This new title will incorporate the work of both the Superintendent's Assistant position in the Water Department and the Highway Department's Street Supervisor who retired in 2011.
- Sewer Department – The proposed budget includes the same number of employees; no additional employees. However, just as with the Water Department, the proposed budget includes the partial transfer of the current Superintendent's Assistant to the Highway Department to become the Assistant Public Works Director.



Summary Personnel Changes

- Sanitation Department – The proposed budget includes the same number of employees; no additional employees. However, Council is requested to add the Director of Public Works title to Mr. David Finch's Assistant Borough Manager's position as he will add the duties vacated by the retirement of Mr. Bob Wagner; at no additional compensation.
- All Utilities – In addition to the details above, with respect to all the utilities and to clarify my role in the organization, Council is requested to add the Director of Utilities title to my Borough Manager position as I have these duties already; at no additional compensation. This title was last used by Julio Lecuona.
- Engineering Department - In 2011, Bob Wagner retired as Public Works Director and Phil Wolgemuth added some of Mr. Wagner's duties to his own. As such, Council is requested to amend Mr. Wolgemuth's title to Land Use and Community Development Director; at no additional compensation.
- Highway Department – The proposed budget includes the same number of employees; no additional employees. However, the proposed budget includes the partial transfer of the current Water/Sewer Superintendent's Assistant to the Highway Department to become the Assistant Public Works Director.



Summary Personnel Changes

- Police Department – The two open police officer positions are, effective with this budget, permanently eliminated. One additional police officer position is funded for only six months. We anticipate at least one additional officer will retire in 2012 and they will not be replaced. By the end of 2012, the Police Department will have sacrificed three full time police officer positions. One of the Police Department's three (3) K-9 units will be disbanded in 2012; leaving Chambersburg with only two (2) K-9 units; although the police officer will be retained. Finally, the one open clerical non-uniform position in the Police Department will be, effective with this budget, permanently eliminated.
- Recreation Department – The Recreation Department Maintenance Crew Leader, non-bargaining unit position, will be eliminated in 2012. The current employee will be offered a transfer to another department. Amongst his other duties, the Superintendent will have to become the Crew Leader.
- Emergency Services Department – Beginning July 1, 2012, the Emergency Services Department will adopt the Change in Focus Plan (details in Tab #6). The Change in Focus Plan would require the elimination of 8 firefighter/captain positions (net 21 positions reduced to net 13 positions). The Change in Focus Plan would require the elimination of the Deputy ES Chief position. In December 2011, the position was vacated. It is my hope that an interim solution will be agreed upon by Town Council and the International Association of Fire Fighters, Local 1813; while discussions on the future continue.

Summary Personnel Changes

- Overall Non-Bargaining Unit Employees – Originally, these employees, including Department Heads, Assistant Department Heads, and the Borough Manager were scheduled to receive a 4% cost of living adjustment (COLA) in 2012. That COLA has been canceled. Staff will have no cost of living increase in 2012; a wage freeze other than normally scheduled step increases.
- Members of AFSCME Local 246 – Originally agreed to in 2008, these employees, including the street crews and other “blue collar” workers were scheduled to receive a 4% cost of living adjustment (COLA) in 2012. A side agreement was reached on October 24, 2011, where the 2012 COLA will be reduced from 4% to a 2% in exchange for adding five (5) additional days in 2012 where Borough administrative offices will be closed for holidays.
- Side Agreement for Additional Holidays - The Borough will add five (5) official office holidays in 2012, in exchange for a 2% reduction in the scheduled AFSCME Local 246 cost-of-living-adjustment (COLA) from 4% to 2%. Those holidays are: Columbus Day 2012, The day after Thanksgiving 2012, The Monday after Thanksgiving 2012, Christmas Eve Day 2012, and New Years Eve Day 2012

During these holidays, administrative offices will be closed but these holidays do not impact the Chambersburg Police Department, Emergency Services Department, or the Borough's Customer Service Center, which is open 24-hours per day, 365-days per year.

The returned COLAs have a 2012 payroll value of \$229,112 - Town Council and I would like to specifically thank employees represented by AFSCME Local 246 as well as Non-Bargaining unit employees for their sacrifices in these challenging times.

Summary Personnel Changes

- Collective Bargaining Agreement Status –

Employees represented by AFSCME Local 246 – Agreement through the end of 2012.

Employees represented by the Chambersburg Police Officers Association – Agreement expired at the end of 2010. The Borough and these employees are in Act III Interest Arbitration with an arbitration award possibly published by the release of this budget document.

Given this unknown, this budget assumes that members of the Chambersburg Police Officers Association will be awarded a 1.5% cost-of-living-adjustment (COLA) for 2012, through arbitration. Any Act III interest arbitration decision that awards a net cost greater than 1.5% (including possible contributions to pension and/or health insurance premium share) is not covered by this budget

Employees represented by the International Association of Fire Fighters Local 1813 – Agreement due to expire with the last full pay of 2011. The Borough and these employees are at impasse. As such, the Act III Interest Arbitration process has begun. It is estimated that an arbitration award might be published by May 2012.

Given this unknown, this budget assumes that members of the IAFF Local 1813 will be awarded a 0% cost-of-living-adjustment (COLA) for 2012, through arbitration. Any Act III interest arbitration decision that awards a net cost greater than 0% (including possible contributions to pension and/or health insurance premium share) is not covered by this budget



Summary Personnel Changes

With the adoption of this budget, the full time personnel equivalent staff of the Borough will be reduced from 201 employees to a net 193 employees in 2012; this is a 4% reduction in employees and the lowest number of employees since 2006. If the Change in Focus Plan is implemented in the Emergency Services Department, the Borough would eliminate an additional 8 firefighter/captain positions to reduce our number of full time personnel equivalent staff of the Borough from 193 employees to a net 185 employees; the lowest number of employees since 2003



Questions?

I would like to take this opportunity to thank all involved in preparing this proposed budget, especially Casimir Rzomp Jr., Finance Director, Rachel Krum, Staff Accountant Janine Shoap, Budget Analyst, Jamia Wright, Borough Secretary, Jody Mayer, Assistant Borough Secretary, Kristine Baker, Human Resources, and Shawn Chilcote, Computer Programmer/Network Specialist. I would also like to thank those members of Town Council who provided ideas and guidance through this process.